

## Case Study 1: Adding Projects

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Your 2013 Annual Action Plan included the following proposed projects:

- 1. Housing Rehabilitation** **\$550,000**  
The Housing Rehabilitation Program has two components: a Comprehensive Rehabilitation Program (CRP) and an Emergency Repair Program (ERP). The CRP program will provide up to \$25,000 as a low-interest loan (3% for 10 years) for comprehensive rehabilitation to bring a unit up to local code. The program also has an emergency grant component where eligible homeowners can apply for up to \$5,000 for emergency repairs.
- 2. Brightwood Neighborhood Street Improvements** **\$250,000**  
CDBG funds will be combined with state and local sources to reconstruct deteriorated streets in the Brightwood neighborhood, including Brightwood Avenue and 3<sup>rd</sup> Street. The grantee has secured additional funding of \$750,000 from state and local sources. Census data of the neighborhood indicates that the 400-home service area has a population of 862. According to the income survey, 690 of the residents qualify as low and moderate income (80%).
- 3. Business Loan Program** **\$300,000**  
CDBG funds will be used to provide economic development loans to new and expanding businesses for the purchase of new equipment and/or site improvements. In exchange, businesses agree to create a new job (full-time equivalent (FTE) at living wages and with health insurance) for each \$10,000 loaned. The city estimates that the program will assist 10 businesses, create 60 new jobs over a 3-year span, and add more than \$2.3 million to the local economy.
- 4. Public Services** **\$40,000**  
CDBG funds will be used to fund an expansion of the local Head Start Program. Funds will be used to hire an additional aide and to purchase classroom equipment. Capacity is expected to increase by 20% from 25 to 30 children. The program is operated 5 days a week at the community center at 654 3rd Street, resulting in 1,500 units of child care annually that low- and moderate-income families could otherwise not afford.
- 5. Administration and Planning** **\$200,000**  
CDBG funds will be used for the city's staff costs to provide oversight, compliance monitoring, and reporting functions for the other CDBG-funded programs.

### ASSIGNMENT:

1. You just received notice from your local HUD office that your 2013 Annual Action Plan is approved. Using the information above, set up the IDIS projects for the 2013 program year.
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## Case Study 2: Housing

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The 2013 Annual Action Plan budgeted \$550,000 of CDBG funds to its Housing Rehabilitation Program. The program has two components: a Comprehensive Rehabilitation Program (CRP) and an Emergency Repair Program (ERP). The CRP program is available to both owner-occupied units and rental units and will provide up to \$25,000 as a low-interest loan (3% for 10 years) for comprehensive rehabilitation to bring a unit up to local code. The program also has an emergency grant component where eligible homeowners can apply for up to \$5,000 for emergency repairs.

The city funds the first \$1,000 of each grant or loan from a local housing trust fund. The city will use any program income received from the program to make additional loans.

### DISCUSSION QUESTION:

1. How many activities will the city set up in IDIS to report on the rehabilitation program?
2. The city budgeted \$60,000 to pay for the program delivery costs of a downpayment assistance program funded from their local HOME consortium (i.e., Housing Services). How will this use of CDBG funds be reported in IDIS?

### ASSIGNMENT:

1. It is July 14<sup>th</sup>. You are two weeks into the 2013 Program Year. The city's rehabilitation manager informs you that the first emergency rehab job has been finished. Using the information on the next page, provide annual accomplishment data for 456 S. Cedar Avenue.

FOLLOW-UP QUESTION: If the city funded 456 S. Cedar Avenue from its 2013 budget but completed the work in 2014, in what year would you report the accomplishments?

2. The city is rehabilitating 346 W. Elm Street, a five unit rental complex. Each unit requires extensive rehabilitation to be brought up to local codes, including the removal of lead-based paint. Based on the amount of assistance, all units must remain affordable for 10 years. None of the units are designated for special needs populations or will receive additional project-based subsidies. Three units were rehabbed in 2008 and you need to get this information in IDIS in time for the CAPER. Use the information on the next page to report data for the three units completed in 2008.

FOLLOW-UP QUESTION: What steps must you take in IDIS regarding the final two units once they are completed in 2013?

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**EMERGENCY REHABILITATION PROGRAM**

Address: 456 S. Cedar Avenue 77850  
Owner: Degas, Bruno  
Household Size: 4  
Household Income: \$34,355 (Low)  
Race: White  
Ethnicity: Hispanic  
Female-Headed: No  
Elderly: No

Scope of Work: Removed burst pipe. Fitted new pipe. Repaired damaged drywall.  
Contractor: Ramirez, P.  
Amount: \$1,900  
CDBG Portion: \$900  
Local Trust Fund: \$1,000

Date Completed: 7/12/09  
Inspected By: Jones, J.  
Date Inspected: 7/13/09

**RENTAL REHABILITATION PROGRAM**

Address: 346 W. Elm Street, 77850  
Owner: Brown, Finley  
Amount: \$55,000  
CDBG Portion: \$50,000  
Local Trust Fund: \$5,000

**Tenant and Unit Data**

Tenant Name:	Dirkson	Quincy	Lopez
Unit #	2A	2B	2C
Household Size:	1	5	3
Household Income:	\$14,355 (Ext. Low)	\$24,355 (Ext. Low)	\$23,000 (Low)
Race:	African American	White	White
Ethnicity:	Non-Hispanic	Non-Hispanic	Hispanic
Female Headed HH?	Yes	Yes	No
Affordable?	Yes	Yes	Yes
Elderly?	Yes	No	No
Energy Star?	No	No	No
504 Accessible?	Yes	No	No
Date Completed:	6/1/09	6/1/09	6/1/09
Inspected By:	Jones, J.	Jones, J.	Jones, J.
Date Inspected:	6/6/09	6/6/09	6/6/09

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## Case Study 3: Public Facilities and Infrastructure

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The 2013 Action Plan budgeted \$250,000 of CDBG funds for street improvements in the Brightwood neighborhood. The city has secured additional funding of \$750,000 from state and local sources. Census data of the neighborhood indicates that the area qualifies as low and moderate income.

### DISCUSSION QUESTIONS:

1. What are the most appropriate Matrix Code and National Objective to use for this award?
2. Assume the city completes half of the improvements by the end of the year. How will this affect accomplishment reporting in IDIS?
3. As part of a separate CDBG project, the city budgets \$40,000 to remove architectural barriers from three public facilities located throughout the city. Each facility serves the entire city. What national objective is most appropriate? How many IDIS activities are required to report on this scope of work?
4. The city plans on building a community center in the Brightwood neighborhood in the following program year. What type of accomplishment information should be collected?

### ASSIGNMENT:

1. You are in the beginning of your 2013 program year and you need to add the street improvements activity to IDIS and fund it. Use the information found in the case study to update the IDIS system.
  2. You are at the end of the 2013 program year and you need to update the street improvements activity. Assume that 80% of the work is completed. The remaining 20% of the work will be completed in 2014. Use this information to update the street improvements activity.
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## Case Study 4: Public Service

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The 2013 Annual Action Plan awarded the local Head Start Program (located at 123 Elm Street) a \$40,000 CDBG grant to hire an additional aide and to purchase classroom equipment. The funds will be used to expand overall capacity by 20% from 25 to 30 children. The program is operated 5 days a week at the community center at 654 3rd Street, resulting in 1,500 units of child care annually that low- and moderate-income families could otherwise not afford.

### DISCUSSION QUESTIONS:

1. Based on the information above, what number will the grantee put in the Proposed Unit field?
2. Assume that the program has difficulty hiring the new aide and cannot fill the position for 4 months. As a result, the program has an unexpended balance of \$10,000 at the end of the program year. The city provides a 120-day extension to the contract so that the program can finish expending the funds. Discuss how this will effect reporting accomplishments in IDIS.
3. Edward Wiley, the principal of East Elementary School, submitted a CDBG application for an after-school program. Mr. Wiley thinks that virtually all of the students would qualify as low income since 94 percent of the children participate in the free and reduced lunch program, which is based on poverty levels. In addition, the school serves only the immediate neighborhood, which is 83 percent LMI according to Census data. However, Mr. Wiley does not think the school can verify income of the students' families. Is there a way to fund this after-school program? If so, what national objective(s) can be used? How will the city report this activity in IDIS?

### ASSIGNMENT:

1. Using the information in the case study above, add an activity to IDIS for the 2013 Head Start Program.
2. Using the demographic data below, report end-of-year accomplishment data for the Head Start Program in IDIS.

	All	Hispanic
White	20	5
African American	6	0
Asian	4	0
Native Am.	0	0
Other	0	0

Income	
Extremely Low	24
Low	6
Moderate	0
Non-LM	0

## Case Study 5: Economic Development

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The 2013 Annual Action Plan budgeted \$300,000 of CDBG funds to provide economic development loans to new and expanding businesses for the purchase of new equipment and/or site improvements. In exchange, businesses agree to create a new job (full-time equivalent (FTE) for each \$10,000 loaned. The action plan estimates that the program will assist 10 businesses, create 60 new jobs over a 3-year span, and add more than \$2.3 million to the local economy.

### DISCUSSION QUESTIONS:

1. What are the most appropriate Matrix Codes and National Objectives to use for this award?
2. How many IDIS activities will the city add to the IDIS to track the award?
3. It's 10 years later and the city budgets an additional \$300,000 of CDBG funds for economic development. This time the funds will be used to make site improvements to a redeveloped business park. Businesses that relocate to the new business park will agree to create additional jobs for low- and moderate-income persons. , How will the IDIS setup for this activity differ from the 2013 economic development program? What are the most appropriate Matrix Code and National Objective to select?

### ASSIGNMENT:

1. You are halfway through your 2013 program year. Your economic development specialist just e-mailed you the quarterly report for the loan program. The only update was a new loan to Thompson Automotive that created five jobs. Use the information found on the next page to update the IDIS system.
2. You are halfway through your 2014 program year. Thompson Automotive hired another front office assistant to satisfy its job creation requirements. Use the following data to update the Thompson Automotive activity:

Income: Low  
Race/Ethnicity: White, Non-Hispanic  
Previously Unemployed: Yes

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## **ECONOMIC DEVELOPMENT LOAN PROGRAM**

Business: Thompson Automotive  
Address: 1212 31st Avenue  
Owner: Thompson, Barry  
Loan Amount: \$50,000  
Loan Standing: Good

Jobs to be created: 1 Floor Manager (full time)  
3 Front office assistant / clerical (full time)  
2 Technicians (20 hours per week)

Jobs Created to Date: none  
Prior to Report

Jobs Created this Quarter: Manager (non-low/mod income, African American, Non-Hispanic)  
Front office assistant (moderate income, Asian, Non-Hispanic)  
Front office assistant (low income, White, Non-Hispanic)  
Part-time Technician (low income, African American, Non-Hispanic)  
Part-time Technician (low income, White, Hispanic)

Jobs Still to be Created: Front office assistant

Quarterly Narrative: Five jobs created (3 full-time, 2 part-time). All of the full-time jobs include employer-sponsored health benefits. One of the new employees was unemployed before being hired. Once the company is able to hire a full-time front office assistant, its job creation requirements will be satisfied.

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## Case Study 6: New CDBG Oversight Functionality

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The following activities appear on the CDBG At-Risk list.

- **2011 Housing Rehabilitation:** This activity has been flagged for no draws for 12 months. Nine of the ten housing units associated with this activity have been completed. The final unit has caused the rehabilitation manager heartburn from the beginning. The homeowner has delayed the process at every step of the way. The original contractor walked away from the job and the second contractor has found the homeowner extremely difficult to deal with. After the work began, a number of issues arose that required change orders. The rehabilitation manager expects the final units to be completed by the end of the year (in seven months).
  - **2010 Bellwood Neighborhood Street Improvements:** This activity has been flagged for no accomplishments for three years. CDBG funds were used on the first phase of this comprehensive redevelopment effort, which included reconstruction of the streets, upgrades to utility lines and upgrades to the lighting and streetscape. The completion of the project has been delayed due to issues with some of the other funding sources, including funds from the state. The public works department expects the project to be completed within the next eight months.
  - **2013 Business Loan Program - All-Pro Fabricating:** This activity has been flagged for disbursing more than 80% of the funds and not reporting any accomplishments. The grantee recently provided a loan to All-Pro Fabricating to upgrade their facility and purchase new equipment. The company has not made any new hires yet. Per the loan agreement, the company has twelve months to fill three newly created jobs, The company is working with the local workforce investment board and community college to recruit potential candidates.
  - **2013 Head Start Program:** This activity has been flagged for disbursing more than 80% of the funds and not reporting any accomplishments. Head Start has provided quarterly reports attached to their invoices, but the information has not yet been entered into IDIS Online.
  - **2011 Administration and Planning:** This activity has been flagged for no draws for 12 months. This activity's budget included internal staff costs for the administration of the CDBG program and a small \$5,000 grant to a local neighborhood group to conduct a planning study. The neighborhood group has met several times and made progress but never selected a consultant for the study.
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**ASSIGNMENT:**

1. For each activity listed above, discuss the best way to remove the activity from the “At Risk without Remediation Plan” category of the CDBG Review screen.
  - a. 2011 Housing Rehabilitation:
  - b. 2010 Bellwood Neighborhood Street Improvements:
  - c. 2013 Business Loan Program - All-Pro Fabricating:
  - d. 2013 Head Start Program:
  - e. 2011 Administration and Planning:

**DISCUSSION QUESTIONS:**

1. TRUE or FALSE: Each of the activities above requires a remediation plan. If HUD does not receive a remediation plan within two weeks, the grantee will be asked to reimburse its CDBG account for all funds disbursed and cancel the activities.
  2. TRUE or FALSE: The remediation plan must describe how the activity will be completed and meet a national objective within the next six months.
  3. You want to be proactive and ensure that activities do not require a remediation plan in the first place. What are some actions you can take to ensure activities do not require remediation plans?
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## Case Study 7: Reports

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Your CAPER is due in one month and you need to generate the CDBG Financial Summary Report (PR26). Before you print the final report for submission to HUD, you need to make adjustments to the report and verify the information is correct.

### DISCUSSION QUESTIONS:

4. TRUE or FALSE: The CDBG rules state you are not allowed to spend more than 15% of your CDBG grant (plus 15% of the prior year's program income) on public service activities.
  5. After reviewing the disbursement amounts, it is clear the report is not including the drawdowns you did last week. How can you correct this in IDIS?
  6. How can you determine the amount of unexpended CDBG funds at end of the previous program year?
  7. What report can you run on the last day of the program year to reconcile with Line 16 of the PR26: Unexpended Balance?
  8. It is the end of your 2013 program year and you need to make adjustments to the PR26 based on Head Start's unexpended balance that will carry forward to the 2014 year (see case study 4). What line item will you need to adjust?
  9. It is the end of your 2014 program year and you need to make adjustments to the PR26 based on Head Start's unexpended balance that was drawn in 2014. What line item will you need to adjust?
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## Case Study 8: Program Income

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It is the last day of the program year and you need to drawdown funds for a number of activities, including:

- \$500 for office supplies against CDBG General Administration activity.
- \$5,000 for the Head Start Program
- \$23,456 for the Brightwood Street Improvements activity.

Before you log on to IDIS, you notice an envelope in your in-box that contains a loan pay-off for \$3,000 from the CDBG-funded housing rehabilitation program. You will need to enter the receipt in IDIS as well.

### DISCUSSION QUESTIONS:

1. Given the situation above, what steps do you need to take in IDIS to correctly enter the data into the system? HINT: The steps have recently changed in IDIS Online.
2. Assume that the Annual Action Plan states that any program income received during the program year will be used to increase the housing rehabilitation budget. Will this effect how the data is entered into IDIS? HINT: The grantee does NOT have a revolving loan fund (RL).
3. If this information is entered a week later (i.e. in the next program year), will the data entry be any different? Will the information be reflected differently on the IDIS reports included in the CAPER, specifically the CDBG Financial Summary Report (PR26)?

### ASSIGNMENT:

1. Create a receipt for the loan pay-off (\$3,000) and create a drawdown for the Headstart Program (\$5,000).
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